

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:4932
ANSWERED ON:20.12.2002
PENALTY COLLECTED FROM TOBACCO FARMERS
R.L. JALAPPA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

:

- (a) the amount collected by Tobacco Board by way of penalty from the tobacco growers for the excess tobacco grown during 2001-2002 in Karnataka;
- (b) the number of cases have been filed against the tobacco growers of Karnataka by the Tobacco Board;
- (c) whether the permission of the Union Government was obtained before filing cases against the tobacco growers of Karnataka;
- (d) if not, the reasons therefor;
- (e) whether the Government have received representatives from tobacco growers to withdraw the cases and return the amount collected by way of penalties; and
- (f) if so, the reaction of Union Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

- (a) Government had notified penalty of Rs 2 per kg plus 15% service charge on the unauthorised Flue Cured Virginia (FCV) tobacco produced by unregistered growers and Rs 2 per kg plus 5% service charges on the excess tobacco produced by the registered growers of Karnataka in the year 2001-02, while permitting the auction of such tobacco. Accordingly, the Tobacco Board collected Rs 13.26 crores by way of penalty on the sale of the excess and unauthorised tobacco during the year.
- (b)&(c) As per the provisions of Tobacco Board Act, 1975, the prior sanction of the Central Government is necessary for initiation of prosecution action for offences punishable under the Act. In the year 2001-02, the Tobacco Board has not initiated any such criminal action against the tobacco growers of Karnataka.
- (d) Does not arise.
- (e)&(f) Government had received representations in this regard on behalf of tobacco growers. Government took the decision to reduce the penalty from Rs 2/- per kilogram plus 20% service charges to Rs 2/- per kilogram plus 15% service charges on the unauthorized FCV tobacco produced by the unregistered growers. The penalty on the excess crop produced by the registered growers remained unchanged at Rs 2/- per kilogram plus 5% service charges.